



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

IN THE MATTER OF THE PETITION OF)	TELECOMMUNICATIONS
NORTHPOINT COMMUNICATIONS, INC.)	
FOR AUTHORITY TO ISSUE UP TO)	ORDER OF APPROVAL
\$200,000,000 OF SENIOR SECURED)	
DEBT TO BELL ATLANTIC)	DOCKET NO. TF00100788
CORPORATION D/B/A VERIZON)	
COMMUNICATIONS)	

Latham & Watkins, Newark, New Jersey, by Christopher M. DiMuro, Esq. for NorthPoint Communications, Inc.

Fred S. Grygiel, Chief Economist, Mark C. Beyer, Manager, Leo M. Lim, Supervising Accountant and Julie Huff, Accountant II, Office of the Economist on behalf of the Staff of the Board of Public Utilities

BY THE BOARD:

On October 13, 2000, NorthPoint Communications, Inc. ("NorthPoint" or "Petitioner"), a public utility of the State of New Jersey, filed a petition with the Board of Public Utilities ("Board") pursuant to N.J.S.A. 48:3-7 and 48:3-9, requesting authority to: (1) enter into a Credit Facility with Bell Atlantic Corporation, d/b/a Verizon Communications ("Verizon"), whereby NorthPoint would issue senior secured debt in the amount of up to \$200 million to Verizon (the "Credit Facility"); and (2) carry out the transaction without further Order of the Board. Because NorthPoint and Verizon anticipated commencing this financing on or before January 1, 2001, Petitioner sought expedited review and approval of its petition.

NorthPoint is a Delaware corporation headquartered at 303 Second Street, South Tower, San Francisco, California 94107. NorthPoint is a nondominant carrier authorized to provide local exchange and interexchange telecommunications service in the State of New Jersey pursuant to a Board Order dated October 20, 1998 in Docket No. TE98020077.

Pursuant to the Credit Facility, Verizon is to provide delayed draw term loans ("Loans") to NorthPoint totaling up to \$200 million. The Credit Facility has a maturity date of six (6) years after the closing date of the credit agreement. The Loans bear interest at the annual rate of 12%. The proceeds of the Loans are to be utilized to finance the acquisition, construction and improvement of certain productive assets and telecommunications related assets. Loans

made pursuant to the Credit Facility are guaranteed by NorthPoint and secured by the assets purchased with the proceeds of the Loans.

Petitioner maintains that greater access to capital will strengthen its ability to bring competitive telecommunication services to consumers in the State of New Jersey and is, therefore, in the public interest.

After review, the Board FINDS that the transaction to be made is in accordance with the law, is in the public interest, and approving the purposes thereof, HEREBY AUTHORIZES NorthPoint Communications, Inc. to enter into a Credit Facility agreement with Bell Atlantic Corporation, d/b/a Verizon Communications, whereby NorthPoint will issue senior secured debt in the amount of up to \$200 million to Verizon.

This Order is subject to the following provisions:

1. Petitioner shall semi-annually file with the Board a statement setting forth: (a) the amount of indebtedness issued under this Order; and (b) the extent to, and in detail, the manner in which the proceeds thereof have been disbursed.
2. This Order shall not affect nor in any way limit the exercise of the authority of this Board or of this State in any future petition or in any proceeding with respect to rates, franchises, services, financing, accounting, capitalization, or any matters affecting the Petitioner.
3. This Order shall not be construed as directly or indirectly fixing for any purpose whatsoever any value of the tangible or intangible assets now owed or hereinafter to be owned by Petitioner.
4. Notwithstanding anything to the contrary in the documents to be executed pursuant to the financing transactions or other supporting documents, a default or assignment under such agreement does not constitute automatic transfer of Petitioners' assets. Board approval must be sought pursuant to N.J.S.A. 48:1- 1 et seq., where applicable.

5. The authority granted in this Order shall become null and void and of no effect with respect to any portion which is not exercised prior to December 31, 2003.

DATED: December 13, 2000

BOARD OF PUBLIC UTILITIES
BY:

[SIGNED]
HERBERT H. TATE
PRESIDENT

[SIGNED]
FREDERICK F. BUTLER
COMMISSIONER

ATTEST:

[SIGNED]

FRANCES L. SMITH
BOARD SECRETARY